



# A PROTEST

AGAINST THE

# INCREASED TAXATION

ADVOCATED BY THE

CANADIAN OPPOSITION

AS

# THEIR NATIONAL POLICY,

BEING AN

ADDRESS TO THE ELECTORS OF MONCK.

BY J. D. EDGAR.

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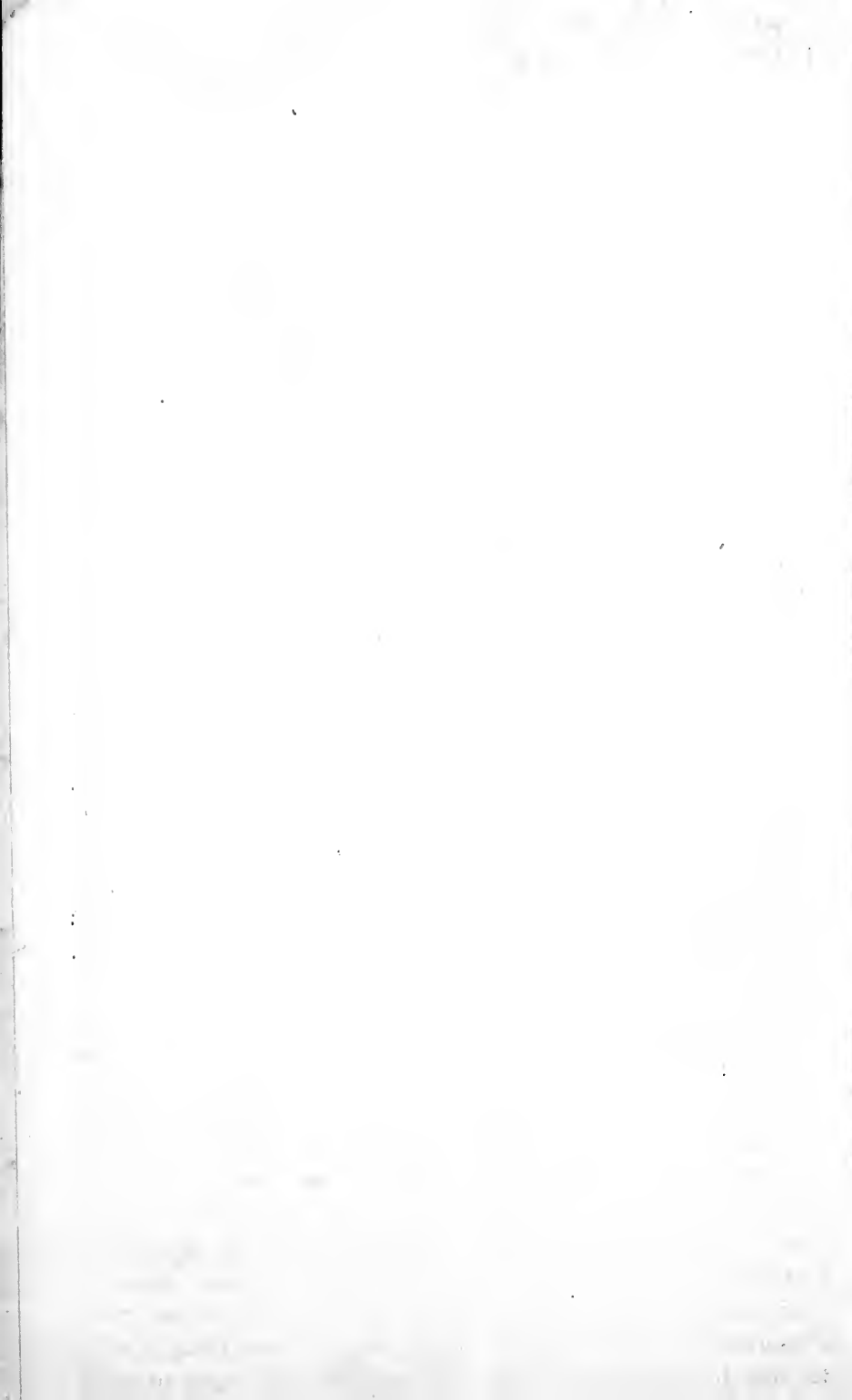
1878.



*with Mr. Egan, Comptroller*

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# TO THE ELECTORS OF MONCK.

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GENTLEMEN :—

At the unanimous call of the Reform Convention of your County, I have taken the field as Candidate for the House of Commons. In this contest a new issue has been raised, and the Country is asked to adopt what the Opposition call a "National Policy," and to send Sir John A. Macdonald back into power to carry it out. My opponent has published, and distributed amongst you, a reprint of several speeches which he has delivered in Parliament, mainly discussing the "National Policy." Although no one in the House seems to have felt it necessary to reply to them, still by answering them, I am given a convenient opportunity of laying before you the views which I think ought to prevail upon this question, especially so far as it embraces what is called Protection for the Farmer. The general management of affairs by Mr. Mackenzie's Administration I am prepared to defend in public against all-comers during the canvass, and in these pages it will not be dealt with.

At this season you are all busy gathering a most bountiful harvest, and have but little time to go out to political meetings ; yet you are asked by the Opposition to cast your vote at the coming Election to turn out the Government upon this question of Protection, without a fair opportunity of hearing it discussed. They say that you are deeply interested in it, and I admit that you are. Taxation touches your pocket, and the Tariff closely affects your prosperity. You are told that you must submit to more taxes for your own good, and I ask you not to believe it. I also ask every Conservative elector to study this question before going blindly to vote to increase his taxes. In the following pages an effort

has been made to discuss, plainly and briefly, the chief points of the "National Policy," and if the electors will sit down and read, with an honest desire to understand what is most to their own interest, I have no fear of the result. The conclusion they will inevitably draw is, that to increase taxation is no way to get richer, and that this "National Policy" means National Ruin.

Your obedient servant,

J. D. EDGAR.

July 15th, 1878.

# A PROTEST

## AGAINST THE INCREASED TAXATION ADVOCATED BY THE CANADIAN OPPOSITION, AS THEIR NATIONAL POLICY.

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### **Protection in the United States.**

There are many things about the United States and their people, which we can admire ; and that their experience should be fruitful of lessons to us I am prepared to admit. I can go still further, and agree with Mr. McCallum in thinking that we may learn much from their experience of a protective tariff. The deplorable results of their experiment of protection might well cause all patriotic Canadians to dread the advent to power of a party in our midst pledged at all hazards to try the same rash experiment upon us. Mr. McCallum devotes much of his eloquence to praising the American high tariff, which he claims to have produced the following results : (1) A rapid increase in population ; (2) Extraordinary manufacturing prosperity ; (3) Great commercial success. I will briefly notice these points in their order, and endeavor to ascertain if we have any good reason to envy our neighbours, or to imitate their example. As to increase of population, it is undoubtedly true that the United States as a whole has largely increased, but where has that increase been ? It has been chiefly in the broad plains of the Western States, which opened their arms to receive the surplus population of other countries, and offered them the cheapest and richest lands to be had in the world. The New England States forced a protective tariff upon the country, and enjoyed its benefits to the fullest extent, yet they have furnished about 600,000 emigrants to other States of the Union, and in many localities their population is absolutely decreasing.

Then, as to the manufacturing industries of the United States. It is among them, the highly protected and therefore fortunate class, that we should surely find unmistakable signs of prosperity. As to their condition, I propose to give you, first, as an authority, the famous New England Protectionist, General Ben. Butler ; and secondly, the recent proprietor and present correspondent of the *Toronto Mail*, the protectionist organ in Canada, and then some leading Americans.

And here is what Gen. Butler, a protectionist, and hailing from the large manufacturing State of Massachusetts, had to say at the last



session of Congress. He was appealing to have the Government provide money to settle the distressed artisans of the cities on farm lands and said :

“ There is no fact more patent, no omen more portentous and alarming to all who carefully examine the state of the country than *the great lack of employment* for the industrial classes of men and women in the Middle and Eastern States, and some two or more of the larger cities of the West. By industrial classes, I mean those who support themselves by wages for their labor, whether skilled or unskilled.

“ All classes of employers of every branch of business have been *reducing the number of their employes and the rates of wages* within the strictest and sternest possible limits, until *hundreds of thousands of industrious men and women and their families, who have heretofore lived from wages, are reduced to the point of starvation for the want of employment, or are barely eking out existence upon the too meagre returns from their labor.* The state of things has come while bountiful harvests have been gathered in year after year, and the granaries of the West are bursting with bread-stuffs; her plains and meadows teeming with cattle, sheep, and swine for meat, and all this in addition to the millions of dollars' worth of provisions loaded upon the ships of the merchant marine of Europe to supply the wants of the poor of other nations. We find the evil to be of a two-fold character :

“ First. *Insufficient employment for labor for millions of men and women who would labor if they could find employment.*

“ Second. *Insufficient wages* for the laborers who are employed to meet the ordinary necessaries, not to say comforts of life. He who labors and produces ought to enjoy.

“ That these constitute an evil so extensive as to be a public wrong, both in the ordinary and legal acceptation of the term, need not be argued. This is too painfully apparent to him who reads current history.”

Is that an attractive picture of the results of protection as painted by one of its most ardent American advocates ?

My second witness is a gentleman who was Managing Director of the *Mail* newspaper company during all its existence, and was afterwards, and until recently, sole proprietor of that journal. He was present at Pittsburgh to witness the Hanlan-Morris boat race, and wrote from that place a sparkling letter over the well-known signature of “ Quartz,” which appeared in the *Mail* of the 24th June, 1878. Describing the natural advantages of the position of that great manufacturing city, he says :—

“ It was obviously one commanding many thousands of miles of inland navigation, and constituting any town built upon it the very gateway of the West. The river system of Pittsburg gives her access to the hearts of eighteen of the finest States in the Union, and her railway system places her within twelve hours of the great Atlantic ports and within half that of the Upper Lakes. Despite all these advantages, however, and the progress once made by reason of them, to-day Pittsburg is groaning under severe depression of its trade. One-half of its numerous furnace fires are unlighted, and at many others the men are working only half-time.”

William Cullen Bryant, who died only last month, full of years and honours, was one of the most distinguished among the literary men and editors of the United States. He recently drew the following eloquent picture of the result of Protection in his own country :—

“ And what years, my friends, were these? Years of languishing enterprise, years of despairing industry, years of strikes, years of

“contention between the employers and employed, years which showed the spectacle of laborers by hundreds looking in vain for occupation, and hunger-pinched families shivering in their unwarmed garrets. All this while the protective system, as it is called, has been in full force. Everything is protected, that is to say, everything imported into the country is taxed as it never was before. If the protective system be the ground of commercial prosperity, the country should now be prosperous beyond the ground of all previous experience. Our mills, now silent, should be in constant employment; not a willing arm should be idle, not a spindle should cease to hum. Is it not time for a reaction? Are we to go on in this manner indefinitely? We have tried the protective system as fully as is possible. We have tasted its fruits and they are bitter. Let us now have a season of free exchange. I have no doubt, for my own part, that a liberal system of revenue laws, especially combined with a return to specie payments, would make an instantaneous and most fortunate change in the condition of the country. Yes, my friends, the time for a reaction has arrived, and we are determined it shall have a fair field. Free trade has slept while its enemies have been performing their unhappy experiments upon the public welfare, and now we look to see it rise invigorated by its long slumber.

“Let me say that I am in favor of protection, but of a protection of a kind very different from that which for many years past has dealt so cruelly with the interests of the country. I am for protecting the consumers, the class whose numbers are counted by millions. I am for protecting this class in its natural and proper right to exchange what it produces in whatever market it can exchange it to most advantage. I am for rescuing it from the hands into which it has fallen, and which plunder it with as little remorse as the rovers of the Barbary States, in the early part of this century, pillaged the merchant ships that entered their seas.”

At page 20 of his pamphlet, Mr. McCallum gives a quotation from Secretary Evarts, now a member of President Hayes' Cabinet, in which he favours the protection delusion. He seems to have grown wiser since, because in a more recent utterance he tells some citizens of Pennsylvania what condition Protection has brought them to. Mr. Evarts says :—

“In your own great state (Pennsylvania) I perceive that in the production of iron, there are to-day 478 furnaces out of blast, out of a total number of 714, representing an idle capital of \$100,000,000. The capacity of these furnaces is at least double the demand. *What is true of iron is true of other industries.*”

Can it be believed that while these are accurate descriptions of the condition of the manufacturing industries of the United States to-day, under a complete system of protection, there are still politicians so dull as to believe that we are to be influenced by the experience of that country in favor of increased protection for manufacturers.

Of course we are told that England is still struggling along as best she can, under the mistaken notion that Free Trade is a good thing for manufacturers, and our Tory politicians are very sorry for her miserable condition. I think we can afford to accept her yet as an example for us, and for the world, of splendid and unprecedented success. She has been Free Trade since 1842, in which year her exports amounted

to scarcely 235 millions of dollars ; while they have now increased to the unheard of amount of upwards of one thousand two hundred and forty millions of dollars ! However, as manufactured goods are so well protected in the United States, we might expect to discover that England is behind them in that sort of exports. What do we find as a fact ? The total export of American manufactured goods last year to all countries was but 72 millions ; while England actually sent into the United States alone 84 millions of manufactured goods, besides supplying the rest of the world ! If we desire to become a wealthy country, we must foster our shipping interests ; all history teaches us that lesson. Tyre and Sidon, Carthage, the Italian republics of the middle ages, Holland, Spain and England have been great, and powerful, and wealthy, only so long as they maintained the control of the commerce of the world. What has been the effect of the protection policy of the United States upon their own shipping interest ? I am able on this point also to quote an authority which the conservatives will not venture to dispute. No longer ago than in the session of 1874, when Dr. Tupper was discussing the tariff changes proposed by Mr. Cartwright,—he warned the Finance Minister against copying the protective policy of the Americans, and used the following words while doing so.

“ Let the Hon. Minister look at the neighbouring Republic and he would find that the policy of that country had swept their flag off the seas, and given to others the carrying trade of the world.”

Canadians have made marvellous strides forward in the extent of their mercantile marine. We rank to-day as the fifth maritime power in the world, having a greater tonnage than either Germany or France. Can we afford to adopt a protective [policy and have our Canadian commerce “ swept off the seas.”

Dr. Tupper had not taken the stump in favour of the National Policy when he addressed his warning to the Finance Minister. To show how accurately he stated the terribly disastrous effect of Protection upon American shipping interests, it is a fact that recently in one month forty-six steamers sailed from the port of New York, laden with American produce, under foreign flags, and not one owned by American citizens. And whereas in 1855 there were engaged in the trade between America and the United Kingdom 1,854,308 tons of American shipping, in 1875 there were engaged barely 736,333 tons. Whereas in 1855 there were employed in the same business, 420,268 tons of British shipping, in 1875 there were 3,643,184 tons. And in 1876 out of total export and import trade of \$1,268,741,702, no less than \$926,715,044 were carried by foreign vessels !!!

The honest conclusion to be drawn from the unfortunate condition of things existing among our American neighbours is, that even if Protection be not altogether responsible for their misfortunes, it has been powerless to relieve them, and has without doubt, considerably aggravated them.

#### **The Interests of the Mother Country.**

At page 7 of the pamphlet, we find some very touching expressions of loyalty to the interests of the mother country in this matter of the tariff. He reports himself as having said :—“ That policy should, as far as possible, be framed in the interests of the mother country, to which we were bound by so many ties, and to which we were under so many obligations.” I am sure any one reading that senti-

ment would imagine that the great and "truly loyal" conservative party were supporting Sir John's national policy in order to please the mother country, even if it be unpopular with all intelligent people in Canada. It is a pity that such generosity should not be gratefully appreciated in England, when, in Mr. McCallum's judgment, the policy was framed, as far as possible, in the interests of the mother country. The *London Times* is the great organ of public opinion in England, and when the news of the defeat of Sir John's national policy had reached them, an editorial article was devoted to the subject, from which the following is an extract :—

"In these days, when so many are drawn away from the right faith, it is a matter of satisfaction to find that a motion in favour of re-adjusting the Canadian tariff in a protectionist sense has been rejected by the Dominion House of Commons.

\* \* \* \* \*

The worst symptom of the movement in Canada in favour of increased protective duties is that Sir John A. Macdonald has put himself at the head of it. We do not for a moment suppose that he can give it success, but his action is much to be regretted in the interest of a reputation that requires rather careful handling.

\* \* \* \* \*

The chance was left open to him of reconstructing his shattered party and of returning at some future time to power. The temptation to anticipate this future seems to have been too strong for him. Bad times, an inelastic revenue, restricted trade, and unremunerative industry are all favourable to an Opposition. In some way or other the Government are held responsible for every evil that happens, and the Opposition gain support through mere vague discontent. Sir John A. Macdonald has seized the opportunity of such a juncture to raise the cry of a modification of the tariff, in the hope of rallying around him all who have any protectionist leanings. It is not believed that he shares their errors himself—this would be inconsistent with much of his past career, and, indeed, his intelligence would not permit him to be deceived by the fallacies he may countenance—but he is confident that he can play with these allies for a time, and he would get rid of them somehow if he again became Minister of the Crown."

Surely if any politicians deserve to be pitied they are Sir John and his followers. If Mr. McCallum be a reliable authority upon any subject, it is upon the policy of the Opposition, and we learn from him that their national policy was to be "framed in the interests of the mother country." The moment it became known in England it was repudiated and denounced, and they paid Sir John the doubtful compliment of believing that he used the cry while he had no faith in its wisdom, and would "get rid of it somehow if he became Minister of the Crown." They praised his intelligence at the expense of his honesty. If Mr. McCallum be really in earnest, I am afraid we can only admit his honesty of purpose at the expense of his intelligence.

#### Duty on Barley.

It is claimed by the Opposition, or the "Taxationists," as they should be properly called, that the Canadian farmer would be benefited by putting a duty on barley that is imported into Canada. Now there are several reasons why that course could do us no good in the world. We raise a great deal more barley than we require for our own use, and therefore we have a large surplus to sell out of Canada. By stop-

ing all importation of American barley we cannot affect the price here, because we have already more than we consume, and must sell at the price paid by our foreign customers, neither more nor less. We cannot afford to buy American barley unless we can sell it again at a profit, since we do not require a bushel for our own use. If by a duty we were prevented buying it, the only result would be that we would lose these profits. Could that benefit the farmers? This sounds well in theory, you may say, but what are the actual figures of the barley we export and of what we import? I can tell you. In 1877 we bought 369,801 bushels, at 49½ cents per bushel; and we sold eighteen times as much, or 6,587,180 bushels, at 69 cents per bushel. We paid no duty on what we bought, but the unfortunate Americans had to pay their government 15 cents per bushel, in addition to the 69 cents they paid us. Their barley that we bought was inferior to ours, and I believe it was mixed in small quantities with our superior article, and sold back to them at 69 cents with their own duty added! It thus seems that our tariff sometimes works quite as well in practice as in theory. England is now a large customer of ours for barley, and it scarcely requires to be pointed out that the highest price which we can receive for barley is what they are willing to pay us for it in the English market. Let us suppose an American buyer is competing with an English buyer for a farmer's barley in Canada. The Englishman has to pay no duty when he takes it home, but the American has to pay 15 cents per bushel. The American says to the farmer, "I must have your barley because it is of so good a quality, but you ought to let me have it 15 cents a bushel cheaper than the Englishman, because I pay that amount of duty to take it into my own country, and he pays none in his." Would not the Canadian farmer smile pleasantly, and say, "Oh no, Mr. Yankee, I am going to let the man have my barley who pays the most for it; and if the Englishman can afford to pay all it is worth you will have to do the same, and pay your own duty besides." Yet throughout Mr. McCallum's pamphlet, and throughout all the Opposition arguments upon this tariff question, the attempt is made to make intelligent Canadian farmers believe that they are paying the American duty on barley.

#### **Duty on Oats.**

It appears that the Americans impose a duty against us upon oats, of 10 cents per bushel, and we are asked to imitate their example. Let us see if they are very much helped by their duty, and if it has raised the price upon the other side as compared with our prices, where we have no duty. It seems to be a fact, which the Opposition are proud of boasting about, that at times American cargoes of oats are sold in Canada, and hence we are advised to put on a duty to keep them out. But is it not singular, that, in spite of the 10 cents duty, oats are so very cheap over there as to enable people to buy them, pay all freights and charges, and after all sell them at a profit here in competition with our oats? If we feel ourselves badly off at our prices, what must be the feelings of the poor American farmer, who with his 10 cents protection cannot get anything like our prices at home? Surely, if the "taxationists" are in earnest in their pity for the unprotected Canadian raiser of oats, then their tender hearts should bleed for the thoroughly protected American farmer who gets so much less for his oats, even

although he has to pay so much higher for manufactured articles to "protect" somebody else. Nor can I see how the American duty of 10 cents does us any harm, because we certainly do not wish to take oats for sale into the United States, where the price is so much lower than here.

There is a large quantity of oatmeal manufactured in Canada every year, and shipped to England for sale and consumption. We raise more oats than we consume, and the market for our surplus oatmeal of course regulates what the miller can afford to pay for the oats he buys to grind. Whether he buys Canadian or American oats he can only give the price that will make it worth his while to buy and to grind, and to ship to England at some profit. If American oats were excluded, the miller could not afford to pay one cent more for Canadian oats, than would be justified by the price of oatmeal in England, where he has to make his sales. If his mill be of large capacity, he is glad to keep it running, by buying all the oats he can get. If indeed one miller should decline to give a fair price, there would very soon be found some other millers to compete with him, and to pay all the English price would warrant. The American owner of oats has exactly the same opportunity of sending them to the English market as we have, and he would never send them to us at a price upon which we could make much of a profit by shipping to England. It therefore seems clear that our farmers cannot be in any danger of the Americans sending in oats to reduce prices here. Such seems to be the result of theory. Let us take an actual example by way of illustration.

The following communication, which was addressed to the *Mail* some time ago, but has not yet appeared in its columns, tells its own story :—

*“Editor of the Mail :*

*“My attention has been called to the Mail of the 17th inst., in which appears the following:—*

*“A Farmer writes to the St. Thomas Times that at Springfield and Tilsonburg American oats are being received by thousands of bushels, leaving home-grown oats without a market. Although a ‘Liberal’ in time past, he says that he will certainly oppose at the approaching election the Government that refuses to do justice to the country’s agricultural interests.’*

*“It is a fact that American oats are being received here in large quantities, but it is not a fact that home-grown oats are left without a market. The proprietor of the oat mill at Tilsonburg has constantly kept a buyer on the market here, and every bushel of oats offered on this market, fit either for meal or feed, has been bought, and at as high a price as paid elsewhere in western Ontario. Farmers have brought oats to this market from a distance of over twenty miles. In addition to this he has kept a buyer continually at Waterford, Delhi, Aylmer, and St. Thomas. He has also purchased at Springfield, Kingsmill, Hagersville, Thamesville, Bothwell, Chatham, Corinth, Highgate, and Alvinston. From these points he has received upwards of one hundred car-loads since the last harvest. The price paid for oats has been governed entirely by what the oatmeal would bring across the Atlantic. If a duty were placed upon American oats he could not have bought them ; neither could he have paid a higher price for home grown, because he has paid as high as the price of oatmeal in England would allow.*

*“Could sufficient oats be got here, then there would be no necessity for importing ; hence it follows that the large mills located here would be*

obliged to stop for several months each year, and the American mills would manufacture and send to England instead of the Canadian mills. A duty on American oats would thus limit our manufacture of oatmeal, and very greatly damage our railway business, and bring not the slightest benefit to our farmers.

"This is a question of vital importance, and should be regulated by common-sense business principles, and not as mere party political humbug or clap-trap. Having a close connection with this business, I have been enabled to look at it from a practical standpoint.

"Thanking you for the space kindly allowed.

"I am, &c.,

"R. T. WILLIAMS."

"Tilsonburg, April 23rd, 1878."

### **Duty on Wheat.**

Another delusion which the Opposition are seeking to impose upon farmers, is that by placing a duty on wheat and keeping American wheat out, the price will be raised here. Let us see how this is: We have more wheat than we require, and sell our surplus in England. The buyers of wheat have cable messages every day from Liverpool or London, informing them of every change in the market there, and they are guided entirely by that information in the prices they pay here. If not a single bushel of American wheat came into Canada, the buyer could not afford to pay any higher price for ours than the English market would warrant. Canadians undoubtedly buy large quantities of wheat from the Americans, and just as in the case of similar purchases of oats, it is bought because it can be sold at a profit in England. In the four years ending with 1876 we exported 42 millions of dollars worth of wheat and flour. We could not have done anything approaching to that large and profitable amount of business with our own surplus, but during that time we handled thirty million dollars worth of American wheat and flour, upon which our millers, grain dealers, vessel owners, sailors, banks and railways made their profits. All these vast benefits to Canadians would be put an end to if the wheat were kept out by a duty, and the Canadian farmer would not get one cent a bushel more for his wheat. By the wisdom of our tariff we have brought American produce here, and made it pay toll to our people on its way to Europe. And because the foolish Americans have injured themselves by putting a duty on wheat, we are asked to do the same, and thereby destroy all our valuable handling of their grain.

### **Duty on Corn.**

Mr. McCallum and the Opposition generally advocate a duty on corn to prevent its coming in from the United States. We will, therefore, consider whether Canadians generally, and Canadian farmers in particular, are the losers by the present state of affairs. It must be perfectly apparent that all who desire to purchase Indian meal as a cheap and wholesome article of food, when wheat flour is often too dear for them, would not submit to have its price raised by a heavy duty. How would it then affect the farmer? A large portion of the Indian corn imported is purchased by the farmers; and is it likely they would buy it unless it were profitable for them to do so? It is very evident why it is a profitable transaction. Taking the returns for the last five years it will be found



that at the average prices a farmer could buy nearly two bushels of corn for one bushel of peas or barley. Did it not, therefore, pay him well to buy corn for feed, and to raise peas and barley to sell, instead of using those articles for feed? Sometimes a farmer may not raise enough wheat for flour for his family, or perhaps he may have sold too much and not kept enough, is he not, in such cases, glad of the chance to buy the cheap American Indian meal? By reference to the Customs Returns it will be seen that in the Spring of 1877 there were imported at Dunnville, from the United States, 10,470 bushels of corn at an average of 52 cents per bushel, and 200 barrels of Indian meal at \$2 per barrel. It was all sold in the village of Dunnville, and chiefly to farmers. Would those who purchased it desire to be prevented from doing so again by high duties?

### **Duty on Wool.**

The prices obtainable for wool this season have been unusually low, and it has been suggested that if we only had Sir John Macdonald in power again, the price of wool would at once go up. Let us see if this be not an audacious attempt to pull their own wool over the farmers' eyes for political purposes. The simple point to be inquired about is, Have we a sufficient demand in Canada for our own wool, so that the price would go up if the American wool were kept out? There are large quantities of woollen tweeds manufactured in Canada, but they do not manufacture tweed from our wool at all, because it is not suitable. If our farmers chose to abandon the raising of Leicester and-Cotswold, and other long-woolled sheep, and introduced Merino and fine-woolled varieties, they might supply our home demand. It is open to them to do so, but I am much mistaken if they desire to be forced to do so by politicians. I am told that long-woolled sheep are more suited to our climate, mature sooner, have a more valuable carcass, and produce more wool. Therefore it is to the advantage of the Canadian farmer to raise that kind of wool, even if the Canadian manufacturer does not want it, and has to buy the sort he requires from the Americans. Surely it would be folly for us to put a duty on the foreign wool, the raw materials which our manufacturers have to buy, when we cannot undertake to supply it to them ourselves. Yet this is one of the changes which the Opposition are advocating so loudly.

### **Chances for Agricultural Protection.**

There are always some people guided by mistaken ideas, and perhaps there are a few Conservative farmers who have been persuaded by their leaders that agricultural protection, in the shape of high duties upon the products of the farm, would be a good thing for them. To such men I would say—"Sir John Macdonald knows you can never have agricultural protection. He was in power for many years, and he abandoned the idea, and last session showed that he could not get the Conservatives from any other Province to vote with him in its favour." In 1868 Sir John had a large majority at his back, and repealed the duty on flour. He said on that occasion: "The flour tax had been imposed as an assertion of the independence of the country against American exclusive legislation. It had been maintained in this view until it had been found to work oppressively on certain



"sections of the community, and so now it was repealed *as a step in the right direction.*" It seems that to-day he is promising the farmers and millers to take "a step in the wrong direction." In 1870 Sir John's government did introduce a tax upon grain, flour, and meal, and the *Toronto Leader* thought they were wrong, and that they knew themselves that they were wrong. In 1871, the House, in which Sir John had a large majority, deliberately repealed these duties, and thereupon the *Leader* rejoiced in these words: "We must, therefore, express our unfeigned satisfaction that the sense of the House has been so unmistakably pronounced in favour of the abolition of duties, and that the exploded theory of protection receives such little favour in the High Court of Parliament." It appears, then, that according to the chief organ of the Conservative party at that time, the theory of protection was "exploded" in 1871; yet the whole party, big guns and little guns, are trying to fire it off again in 1878!

But let us see what happened in the very last session at Ottawa. On the 8th April, 1878, Sir John Macdonald supported and voted for the following resolution: "Whereas a large quantity of wheat and flour has been imported into Canada within the last few years, this House is of opinion that the interests of Canadian farmers would be promoted by the imposition of a duty on these articles." Now here was a chance to show the farmers of Ontario what Sir John could do for them by the assistance of the Conservatives from other Provinces. You are told by Sir John and Mr. McCallum that you Ontario farmers cannot prosper without a duty on wheat, that without it you are ruined,—with it you are rich—and surely here was an occasion for all the Conservatives in the House to rally round their chieftain, and cast a solid vote for a duty on wheat. They may think this is a good election cry here, where there is wheat to sell, but they know it would be a fatal policy in other places where wheat has to be bought. However, it is my duty to let some of the Ontario farmers know how Sir John's and Mr. McCallum's Conservative friends voted on that question. Against it, 148 votes were recorded, while only 28 voted for it. They could not get one solitary Conservative from either Quebec, New Brunswick, or Prince Edward Island to vote with them, and only one from Nova Scotia. In those Provinces to-day the Conservatives are no doubt pointing with pride to that vote against the duty on wheat and flour. Is not this a specimen of petty political humbug for a great party to be guilty of? It will surely be hard for honest Conservatives to countenance such unworthy tactics and such hollow shams as this cry for agricultural protection is proved to be.

### Who Pays the Duties?

An argument often used in favour of our putting additional duties upon imported goods, is, that the producer pays the duty. At page 22 of his pamphlet, Mr. McCallum quotes very elaborate figures to show that we, the Canadian producers, are paying all the duties that the Americans collect upon the articles they import from us. He also argues that the Americans pay all the duties collected by Canada upon goods imported from them. It has already been shown that the Americans have to pay their own duty upon our barley and other grains which they import and consume. But let us assume for a moment that he is

right, and that producers and not consumers pay the duties. He says that last year "This country bought from the United States \$46,065,-384, and collected off them \$4,104,487; but if we were to charge them at the same rate that they charged us, we should have collected \$13,819,615." Now, if it be true that foreign producers have to pay all duties placed upon imported goods by consumers, I wonder Mr. McCallum has not hit upon a simple but efficient plan of making the Chinese pay all our revenue. They certainly are the producers of tea, and we are the consumers: what could be simpler than raising the duty on tea as high as necessary to meet the revenue required by us, and of course the Chinese would have to pay it! Does not this example show how utterly childish is all that array of figures based upon that silly theory? And yet you cannot read or listen to an opposition orator who does not start out with assuming that if we put duties on foreign goods the foreigners will pay them.

### **Effect of American Duties on Prices in Canada.**

From the brief consideration already given to the question of the effect of American duties upon certain grains, it has become evident that in those cases, at least, their duty is far more onerous upon them selves than upon us. It is a remarkable fact, which was brought out in the House of Commons last session that since the Americans have put their duties on our produce, the average of our prices has been higher. For ten years prior to 1864, and when there were no duties, we received an average of \$77.50 a head for horses; from 1866 to 1876, while the duties have been on, we have received an average of \$94.53 per head. For sheep we received \$2.75; since the duties, \$2.76. For wool, the average before the duty was 30 cents,—since then, 34½c., although it is very low now. Before the duty, wheat averaged \$1.13; since then, \$1.24. There is no doubt that while the duties placed in the American tariff against our produce in 1866, are both injuriyus and annoying, they had the effect of stirring us up and forcing us to find new markets and outlets for our produce; and it would never be worth our while to submit to all the misfortunes connected with protection merely as a retaliation for these American duties.

### **Our Trade Relations with the United States.**

To do justice to Mr. McCallum it must be admitted that he has cause of complaint against the United States for imposing duties which hamper and injure the freedom of our trading with them. It is true that they probably suffer more by the restrictions than we do, but that only shows how foolish people become when they have been deluded by protection arguments. It is quite manifest that we cannot force the people of the United States to alter their tariff to suit our wishes. Four millions of people cannot expect to dictate to or coerce forty millions. Without being at all cowardly or submitting to any national humiliation whatever, we may as well frankly admit that if we will not allow ourselves to be coerced by the Americans, neither can we expect to coerce them. That being the case, it seems clearly to be our interest not to cause them needless irritation by our tariff. It is essential to us that we should trade with them, because they are by far our best customers and largest purchasers of our products of the field

and the forest. If they were foolish enough to put duties upon our products so high that their own people could not afford to pay them, and we were to lose the chance to sell in their market, it would be a death blow to the prosperity of our farmers. From our geographical position we must always regard with the keenest anxiety the trade policy of our neighbours, and yet we find Mr. McCallum saying, at page 7,—“He was “sick and tired of the Government paying *any attention whatever* as to “the effect its policy would have on the United States.” There is statesmanship for you ! Let us hope, however, that the Government will continue to pay some attention to the farmers’ interest in this matter, even if it makes Mr. McCallum more sick and more tired of being in opposition.

### **Opposition Policy Interpreted.**

When there is so much doubt about what the opposition really mean by their National Policy, it is most gratifying to have a clear definition given of it by so thorough-going an opposition partizan as Mr. McCallum. We find him saying at page 6 :—“The Opposition “claimed that the Revenue should be collected on articles imported “that came in competition with those manufactured by our own people.” This is a brilliant way, certainly, of collecting a revenue. The protection promised to manufacturers is such an increase in the duties upon certain articles as will shut out foreign competition, and so enable the Canadian manufacturer to supply the whole Canadian demand. Unless the articles are shut out by the duty, the manufacturer will not have the home market to himself. When the articles are shut out by the duty, I think it must be clear to any school boy that no duty can be collected on them. Yet Mr. McCallum has tried to delude the electors of Monck with the idea that the revenue can be collected on the importation of those very articles which he proposes to shut out. If he has succeeded in deluding himself by such nonsense it is too bad that he should venture seriously to make such a statement in Parliament, as the representative of this intelligent constituency. When his friends heard of his making this speech at Ottawa they should have talked to him about it, and prevented him from publishing it again. I hope his supporters feel proud of him now. But the best part of the joke is, that he says this is the plan the Opposition have decided upon for collecting the revenue ! If they can hit upon no other plan of raising the necessary revenue it would be cruel to place them in power again, for they are sure to want to spend a great deal.

### **Balance of Trade.**

There is scarcely a page of Mr. McCallum’s pamphlet, there is scarcely a speech made by any opposition orator, in which we do not find references to the balance of trade being against Canada. The opposition are distressed beyond measure that it is so, and they always forget to tell you that it was rather more so in those good old days when Sir John was in power. So large are their sympathies that they go the length of embracing England in the same category of ruined nations with ourselves, because the balance of trade is against her too, and has always been so in proportion to her prosperity. Poor old England ! it is a pity she has no statesmen to guide her like Sir John

and Dr. Tupper and Lachlin McCallum, who would try to save her from Free Trade doctrines, under which she has prospered and increased in wealth and power and splendour beyond the wildest dream of any other nation since time began. Why are Beaconsfield and Salisbury wasting their energies on an Eastern question while the Conservative leaders in Canada are pointing out to the world that unless England and Canada export more than they import they will soon be ruined? I begin to have my doubts of the loyalty to the mother land of our Conservative statesmen, when they do not at once rush across the Atlantic and tell England that they have discovered she is a ruined nation, and point out to her that Protection is the only cure. The *Toronto Mail* has already raised a voice of warning, as the following extract, published on 25th June last, will show:—

“England has no ‘Chinese wall,’ and yet she does not manage to sell to foreigners nearly as much as she buys from them, taking her own official figures. During 1855, the total real value of imports and exports into and from the United Kingdom (bullion and specie not included), is given as follows:”—

	<i>Imports.</i>	<i>Exports.</i>
Foreign Countries .....	£109,959,539	£ 87,832,379
British Possessions .....	33,576,358	28,287,326
Totals .....	£143,535,897	£116,119,705

“And during the year 1876, as follows:—

	<i>Imports.</i>	<i>Exports.</i>
Foreign Countries .....	£290,822,127	£186,626,713
British Possessions .....	84,332,576	70,149,889
Totals .....	£375,154,703	£256,776,602 ”

From these figures it appears that while in 1855 the balance of trade was against England to the extent of twenty-seven millions sterling, in 1876 it had increased against her to the enormous sum of 118 millions! Yet the world knows that she has been making rapid advances in prosperity during the intervening period. This single fact is better than all argument that could be made upon this subject, and proves beyond possibility of doubt that a country can prosper with the balance of trade against it. It stands to reason, too, that a country, like an individual, should be at liberty to go from home to buy any article that can be gotten better or cheaper abroad, and that a nation, like a citizen, will be the richer for doing so. Take a familiar illustration of a farmer who has a field of wheat ready to harvest, but his reaping machine has just been burnt up. The Protectionist would say that to prevent his wealth being decreased by paying out money to buy a new machine, this farmer should set to work and make a new machine at home. Now, it is quite apparent that he could be much more profitably employed than in making a reaper for himself. If he could accomplish it at all it would be a waste of valuable time, while, by attending to his harvesting he could easily make more money than the cost of a machine. The same with a plough or any agricultural implement that he requires. It pays an individual or a nation to attend to the particular industrial pursuits in which they most excel, and in that way they are sure to gain wealth faster than by trying to make everything they require. The fact that a nation is able to send abroad

and buy so much as England does, is proof how rapidly she is accumulating wealth at home. If she sends out money and gets back money's worth, she is certainly no poorer by the operation. Let us take the condition of our own balance of trade as evidence to support my arguments. Canada was, we all know, in a more prosperous commercial condition in 1872 than in 1876. The great business depression existing all over the world has come upon us since 1872. In Mr. McCallum's own pamphlet, at page 12, I find he gives the balance of trade against us in 1872, when business was flourishing, as \$28,791,619; while in the hard times of 1876 it is given as only \$13,806,783? I only need appeal to any candid, sensible man, and ask him if it is not evidence of a very poor side in politics when the figures given in Mr. McCallum's own speeches prove the utter weakness of his arguments. Fancy asking you to believe that times were worse in 1872 than in 1876, because the balance of trade was more than twice as much against us in 1872 as in 1876. How is it, too, that Sir John is not blamed for allowing the balance of trade to be more than double as much against us under his government as under the present administration?

I do not pretend to say that a country may not be injured by over importation of manufactured goods, just as it may be injured by over manufacture of goods at home. Both are mistakes, and, of the two, over production is the more injurious, because then all the loss falls on our own people, but those who over import on credit often fail to pay the foreign creditor, who is thus made to share in the losses.

#### Duty on Coal.

On page 6 Mr. McCallum proposes to benefit the mining classes by taking the duty off Tea and putting it on Coal. He says "By transferring the duty from tea to coal a great stimulus would be given to the mining interests, and no hardship would be imposed on any class." Before making this statement he certainly should have ascertained whether the mining interests desired or required a duty to be placed upon coal or iron ore. He had no doubt heard some conservative politician say so, and that was enough for his purposes; but I propose to call as a witness Mr. Myles, the owner of the Snowdon Iron Mines, in the County of Victoria, in this Province, who is going heartily into the working of them. Shortly after the announcement of Sir John Macdonald's National Policy last session, Mr. Myles was formally asked his opinion of it. I give the question and answer.

Question.—"What effect would Sir John Macdonald's national policy have on the iron ore business and that of smelting works?"

Answer by Mr. Myles.—"*It would utterly ruin them.* The very agitation of this 'national policy' scheme is calculated to upset all my plans. In the first place, I would require 28,000 tons of coal a year, and a duty of seventy-five cents or a dollar on that would put an end to the smelting business. I must send iron ore to the States to bring back coal, and the agitation of the national policy has already had the effect of producing a similar agitation in the States. I was over there the other day and called on a gentleman in the business, who showed me a letter he was writing to Washington urging that the American Government put a duty of one dollar a ton on Canadian iron ore. Just see how I would be ruined between these two fires. I want no protection. Some Conservatives in Toronto came to me a few days ago, and said, 'Mr. Myles, the elections are soon

coming off, and we would like your assistance. You want protection, don't you, for your iron ore?' I told them: 'No, gentlemen, no protection for me. It would ruin me. Just leave that question alone, if you please.' "

Most manufacturers use coal as a motive power and, if it be made to cost more, they must raise the price of all the articles they sell to the farmers. The castings of all Agricultural Machinery would be raised in price, and consequently the machines, so would carriages and waggons, and particularly stoves. And recollect, you are asked to pay these additional prices so that, in Mr. McCallum's words, "a great stimulus would be given to the mining interests," but Mr. Myles, a large owner of iron mines, says it would utterly ruin him too! It therefore seems clear that this important part of the national policy would do no one any good, would ruin some people, and would do us all harm.

### **Protection for Manufactures.**

There is to-day an import duty of  $17\frac{1}{2}$  per cent upon most manufactured articles. The Canadian, who manufactures on the spot for home customers, has not this duty to pay, neither have his customers to pay the charges for freight and insurance, &c., which, altogether, run up his advantage against the foreign manufacturer to as much as 25 or 30 per cent. This does seem a favourable state of affairs for our manufacturers, and most of them are prospering under it to-day. As a result of this duty we have to pay for manufactured articles at our door 25 or 30 per cent more than we could afford to pay to a foreigner for them in his country, and then pay the duty, freight, &c., to bring them here. If this be not sufficient margin for profit to Canadian manufacturers it shews either that they have not the proper machinery, experience, or skill; or else, that the article is not one which can profitably be made here. Take the case of Agricultural Implements as an illustration of our successful manufacture. Some few articles of the kind are sent in from the United States, but nothing to injure the Canadian trade, which is very prosperous. It is home, and not American competition they have to dread. I suppose we could grow tea, and I know we can grow silk worms, but there are other countries where those commodities are raised and prepared for use perhaps 100 per cent more cheaply than we can do it. Would it be right to impose a duty to be paid by all of us of 100 per cent on tea and silk, in order to force them to be prepared here? Yet, if we are to have a Protective tariff at all, it must be high enough "to protect," and to shut off outside competition.

Whether right or wrong, in the abstract, we have anything but a free trade tariff in Canada. We have consented to pay high duties upon many manufactured articles that we have to buy every day, and the larger part of these duties do not go to the government, but to certain favoured ones amongst our fellow citizens. If the taxes thus levied all went to the government they would be spent in public works, &c., and we would all feel the benefit of them, but the bulk of them go to manufacturers. To show you how this works out, let us take the article of household furniture. This is a thing we must all buy, and it is protected by a duty of  $17\frac{1}{2}$  per cent. If you are in Buffalo and see some furniture which you could buy for \$100, you find out upon enquiry that in addition to freight you will have to pay \$17.50 at the Custom House as duty. You return home and find out that you can buy the same articles from a Canadian

manufacturer, but of course he will regulate his price by the Buffalo figures, and to encourage home business you gladly pay him \$117.50. In this way you pay the tax of \$17.50, but it goes to your fellow citizen and not to the country. You are taxed to increase his profits \$17.50 on each purchase amounting to \$100. That this is the result in the case of furniture is proved by the fact that less than 8 per cent of the furniture used in Canada is imported, and the rest pays no tax to the government. Surely this is encouragement afforded by farmers to manufacturers; and I am glad to think that the present government is not blamed by the farmers for having raised the tariff from 15 to 17½ per cent, as they have done since they came into power. You all know that the great cry of the Conservatives in the cities just now is—“Raise the duty upon manufactures to encourage home industry—make it 10 or 20 per cent more, no matter if the farmers have to pay it.” In this way they hope to get the help of the manufacturers at the elections, of whom some few are greedy and blind enough to be caught by these hollow and unnatural promises of prosperity held out to them. I have heard it said in Toronto, by a Tory manufacturer,—“Mackenzie has adopted a policy to please the farmers, but we will shew him that he cannot afford to do that.” Now, if it be wrong for Mr. Mackenzie to resist the demand of a few for legislation to enable them to levy a tax upon the many, I admit he deserves to be condemned. But when he honestly and fearlessly tells the manufacturers that they are a highly protected class to-day, and when he appeals to the electors to say whether they desire to be plundered in order to enrich a few, I can understand but one verdict from the country. I do not believe in appealing to one class of the community, but there is no concealing the fact that the farmers form the basis of the wealth and prosperity of Canada, and if they prosper we must all prosper. To say that they shall be taxed highly on all they have to buy—not to replenish the public chest, but to increase the profits of some manufacturers beyond their present handsome returns,—is poor statesmanship indeed. If farmers believe in that policy let them vote and work for the opposition candidates, who are pledged to see the duties raised.

But what are the protectionist farmers to do if they fail to turn out Mr. Mackenzie? Those who are honest in believing that manufacturers must get higher prices, and that farmers must pay them, it seems to me have only one course open to them. Let them put their hands in their pockets like men, and pay extra prices to encourage home manufactures. This can be done without altering the tariff, or changing the Government. Whenever they buy any of the following articles let them add on ten or fifteen cents to every dollar's worth,—say on agricultural implements, boots and shoes, brooms and brushes, furniture, carriages, barrels, millinery, edge tools, foundry and machine work of all kinds, saddlery and harness, saws and files, leather, clothing, &c., &c. In this way they will feel all the advantages that they imagine a change of Government would bring them, even if they cannot place Sir John in power again. Of course the farmers who support Mr. Mackenzie's policy do not believe in these extra duties and prices, and therefore cannot conscientiously pay them—but that is all the greater reason why Sir John's supporters should pay their tribute liberally. Even if it does make them poorer, they will have the proud consolation of feeling that they are carrying out the true principle of protection which alone is to save our unhappy country!



**CONCLUSION.**

In the absence of sufficient grounds of attack against the Ministry upon which to make an appeal to the country, the Opposition were forced to raise some election battle cry to do service during this campaign. The National Policy is miserably weak when examined and discussed, but their hope has been that it may catch the votes of some who do not reflect upon the subject. Their plan is to avoid full discussion, and to tell each elector only so much of the taxation scheme as is likely to please him. They appeal for your support by shewing the benefit your business might receive from a tax levied upon another. This may be attractive until you find out that they are whispering in your neighbour's ear how much he will be assisted by a tax to be levied upon yourself. It is impossible to believe that an attempt would be seriously made by any Government to adopt the policy of the Opposition. If they were themselves to return to power on this hollow cry they would be found ignominiously sneaking out of the fulfilment of the promises they have so lavishly and boldly made.

Let us shake off the fit of the blues, that the Opposition orators are giving us by their incessant whining over our condition. Let us awake from the nightmare of hard times and increased taxation, to look at the brightening prospects that surround us to-day. The universal wave of business depression, which has swept across the world, has touched us more lightly than any other civilized country; and Providence has made our land to smile with a rich and bounteous harvest. Is this a time to try experiments with our tariff, and to impose taxes that are not required for revenue? On the contrary, we should avoid all rash changes that unsettle the trade of a country, and should aim rather to lighten than to increase the burden of taxation. Our natural resources are unsurpassed, our people are thrifty and intelligent, and it requires but our own honest industry to start us again on a bright career of happiness and prosperity.